

The President. Well, we've only been here 2 years. I'm pretty proud of what Mr. Woolsey did and what the CIA has done. I think they deserve credit for solving problems.

Baseball Strike

Q. Mr. President, on another topic, there's been a lot of talk on Capitol Hill today, and a lot of opposition from Republicans to your suggestion that Congress get involved in the baseball strike. Can you tell us about that?

The President. I'll send the legislation up there. I think that this is—they should be reluctant; I was reluctant; we're all reluctant. If we had a baseball commissioner, we wouldn't—none of us would have been in here. I respect their reluctance. What I think will happen is, I'll send the legislation up, they'll hear from the American people, and they'll make their own decision. Meanwhile, I hope that the—last night I really began to hope that they'd work it out on their own. That's still what ought to happen, that's the best thing, and I hope they'll do it.

Q. Do you have any regrets about getting involved in the first place?

The President. No, because if I hadn't named a Federal mediator, without a baseball commissioner, then I would have felt that we hadn't gone the last mile to try to help resolve it. So I'm glad I named Mr. Usery. He did the very best he could. And I still hope they'll work it out.

Thank you.

Surgeon-General-Designate

Q. What are you hearing from the Hill about Dr. Foster? What are you hearing about from the Hill—

The President. I don't know. I haven't heard much from them, but I had lunch with a number of House Members today who said that, based on what they knew, they were for him, and so am I. I think he's a good man. You read the editorial from his hometown newspaper, the Nashville Tennessean, that came out in the last couple of days. His colleague, the only physician in the United States Congress, the doctor from Tennessee, Republican doctor from Tennessee, who stood up here with him when we announced him. He is a good man, who has delivered

thousands of babies and devoted his life to trying to prevent the kind of problems that he's now being criticized for. I believe he should be confirmed, and I believe he will.

Thank you.

Q. Do you think this is just a tactic to get people to defeat him because he has favored abortion rights?

The President. I think he's a good man, and when he has his hearings the American people will think so, too.

NOTE: The President spoke at 2:20 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Dr. Bill Frist, Senator from Tennessee.

Message to the Congress on Iraq

February 8, 1995

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 2, 1994, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724,

which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution No. 778 requires U.N. Member States temporarily to transfer to a U.N. escrow account up to \$200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activities of the U.N. Compensation Commission in Geneva, which will handle claims from victims of the Iraqi invasion of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders Nos. 12724 and 12817 (the "Executive orders"). The report covers events from August 2, 1994, through February 1, 1995.

1. There has been one action affecting the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the "Regulations"), administered by the Office of Foreign Assets Control (FAC) of the Department of the Treasury, since my last report on August 2, 1994. On February 1, 1995 (60 Fed. Reg. 6376), FAC amended the Regulations by adding to the list of Specially Designated Nationals (SDNs) of Iraq set forth in Appendices A ("entities and individuals") and B ("merchant vessels"), the names of 24 cabinet ministers and 6 other senior officials of the Iraqi government, as well as 4 Iraqi state-owned banks, not pre-

viously identified as SDNs. Also added to the Appendices were the names of 15 entities, 11 individuals, and 1 vessel that were newly identified as Iraqi SDNs in the comprehensive list of SDNs for all sanctions programs administered by FAC that was published in the *Federal Register* (59 Fed. Reg. 59460) on November 17, 1994. In the same document, FAC also provided additional addresses and aliases for 6 previously identified Iraqi SDNs. This *Federal Register* publication brings the total number of listed Iraqi SDNs to 66 entities, 82 individuals, and 161 vessels.

Pursuant to section 575.306 of the Regulations, FAC has determined that these entities and individuals designated as SDNs are owned or controlled by, or are acting or purporting to act directly or indirectly on behalf of, the Government of Iraq, or are agencies, instrumentalities or entities of that government. By virtue of this determination, all property and interests in property of these entities or persons that are in the United States or in the possession or control of United States persons are blocked. Further, United States persons are prohibited from engaging in transactions with these individuals or entities unless the transactions are licensed by FAC. The designations were made in consultation with the Department of State. A copy of the amendment is attached to this report.

2. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. The FAC continues its involvement in lawsuits, seeking to prevent the unauthorized transfer of blocked Iraqi assets. There are currently 38 enforcement actions pending, including nine cases referred by FAC to the U.S. Customs Service for joint investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and the Regulations with respect to transactions involving Iraq. Four penalties totaling \$26,043 were collected from two banks, one company, and one individual for violations of the prohibitions against transactions involving Iraq.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government pro-

curement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be SDNs of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution No. 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On October 5, 1994, following payments by the Governments of Canada (\$677,756.99), the United Kingdom (\$1,740,152.44), and the European Community (\$697,055.93), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$3,114,965.36 from the blocked account it holds to the United Nations-controlled account. Similarly, on December 16, 1994, following the payment of \$721,217.97 by the Government of the Netherlands, \$3,000,891.06 by the European Community, \$4,936,808.84 by the Government of the United Kingdom, \$190,476.19 by the Government of France, and \$5,565,913.29 by the Government of Sweden, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$14,415,307.35 to the United Nations-controlled account. Again, on December 28, 1994, following the payment of \$853,372.95 by the Government of Denmark, \$1,049,719.82 by the European Community, \$70,716.52 by the Government of France, \$625,390.86 by the Government of Germany, \$1,151,742.01 by the Government of the Netherlands, and \$1,062,500.00 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$4,813,442.16 to the United Nations controlled account. Finally, on January 13, 1995, following the payment of \$796,167.00 by the Government of the Netherlands, \$810,949.24 by the Government of Denmark, \$613,030.61 by the Government of Finland, and \$2,049,600.12 by the European Community, the Federal Reserve Bank of

New York was directed to transfer a corresponding amount of \$4,269,746.97 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 have amounted to \$157,542,187.88 of the up to \$200 million that the United States is obligated to match from blocked Iraqi oil payments, pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 533 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Since my last report, 37 specific licenses have been issued. Licenses were issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq, and the protection of preexistent intellectual property rights in Iraq.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1994, through February 1, 1995, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about \$2.25 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near East Affairs, the Bureau of Organization Affairs, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community,

is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 4 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including weapons used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 3 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In 1991, the United Nations Security Council adopted Resolutions 706 and 712, which would permit Iraq to sell up to \$1.6 billion of oil under U.N. auspices to fund the

provision of food, medicine, and other humanitarian supplies to the people of Iraq. The resolutions also provide for the payment of compensation to victims of Iraqi aggression and other U.N. activities with respect to Iraq. The equitable distribution within Iraq of this humanitarian assistance would be supervised and monitored by the United Nations. The Iraqi regime so far has refused to accept these resolutions and has thereby chosen to perpetuate the suffering of its civilian population. More than a year ago, the Iraqi government informed the United Nations that it would not implement Resolutions 706 and 712.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions require that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

William J. Clinton

The White House,
February 8, 1995.

**Message to the Congress
Transmitting the Operation of the
Andean Trade Preference Act
Report**

February 8, 1995

To the Congress of the United States:

I hereby submit the first report on the Operation of the Andean Trade Preference Act. This report is prepared pursuant to the requirements of section 203 of the Andean Trade Preference Act of 1991.

William J. Clinton

The White House,
February 8, 1995.